

Diffusion Of Innovation in Digital Transformation of Kotakmedia Indonesia

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ABSTRACT

This research analyzes the theory of diffusion of innovation in the digital transformation carried out by Kotakmedia Indonesia. With the rapid development of digital today, innovation is a demand for companies to survive. Diffusion of innovation is a concept that studies the spread of innovation in a social system. The case study method with a qualitative approach is used to emphasize the question of how the transformation process in depth at Kotakmedia Indonesia will be collected, interpreted and analyzed the results of the data. The results show that the digital transformation of Kotakmedia Indonesia is influenced by relative advantage, compatibility, and effective communication in the social system. the factors that form the innovation diffusion process at Kotakmedia Indonesia, which include knowledge of innovation and reinvention factors, external accountability factors, and organizational structure factors also play an important role in supporting the digital transformation carried out by the company. This transformation process has successfully increased branding, audience reach, and website traffic.

Keyword: Digital Transformation, Diffusion of Innovation, innovation, Creative Digital Agency

INTRODUCTION

Rapid digital development makes innovation a necessity and demand for companies that want to survive and thrive. Innovation is also often said to be the improvement, modernization and development of something (Stošić & Stošić, 2013). Technological developments and changes have a significant impact on businesses that seek to improve their performance and competitiveness in the market, thus driving the need for in-depth research in the field of innovation (Oturakci & Yuregir, 2018). One of the concepts in studying and tracing the spread of innovation in a company or organization is the concept of innovation diffusion. This theory generally describes a social process about the relationship between the spread of innovations by communicating to others by communicating about the adoption of an innovation so that it can be accepted in a social system. Diffusion in this case also refers to a process by which innovations such as new technologies, products, or practices are spread through communication channels over time among members of a social system (Rogers, 2003). Diffusion of innovation is important because it involves not only the introduction of new technology, but also the adoption process that is influenced by social, economic, and cultural factors. In conducting the deepening and analysis, the theory of adaptation and diffusion of innovation was concluded to be a more suitable theoretical model for the study of factors influencing business actors (Dibra, 2015).

A good understanding of innovation diffusion can help organizations identify effective strategies to introduce change, reduce adoption barriers, and increase acceptance among target

audiences. Hence, innovation diffusion acts as an important bridge in the context of digital transformation, where companies not only adopt new technologies but also change the way they operate and interact with customers, partners and employees. Social sustainability of digital transformation in EU countries, emphasizing the importance of the balance between economic growth and social cohesion in the process of digital transformation. Digital communication plays a strategic role in supporting companies' digital transformation towards increased competitiveness and business sustainability. In this context, digital communication not only serves as a means of conveying information, but also as a collaborative medium that enables knowledge exchange, the formation of an innovative culture, and the acceleration of technology adoption at various levels of the organisation. Digital transformation requires changes in communication structures that are more open, faster, and data-driven, enabling companies to respond adaptively to market dynamics. Additionally, the success of digital transformation is significantly influenced by the effectiveness of internal communication that bridges the gap between management's strategic vision and the implementation of technology at the operational level (Kane et al., 2015). Therefore, integrated and participatory digital communication is key to ensuring that the digital transformation process proceeds holistically and is oriented toward long-term growth.

In the context of Kotakmedia Indonesia, the company has undergone a transformation from being a creative digital agency that focuses on digital innovation. The most challenging thing in any innovation is to investigate what factors influence the barriers and enablers, then what alternative strategies are used in overcoming these factors. Social sustainability of digital transformation in EU countries, emphasizing the importance of the balance between economic growth and social cohesion in the process of digital transformation

This transformation process reflects the application of innovation diffusion in an organizational context, where changes occur not only in technical aspects but also in the business strategies and creative approaches adopted by the company. Analyzing the diffusion of innovation at Kotakmedia Indonesia is important to understand how the company managed to make significant changes in its operations and business model, as well as the challenges it faced in adopting new technologies and digital strategies. In the context of digital transformation, innovation adoption is not only influenced by technological factors, but also by organizational leadership and adaptive work culture. Emphasized the importance of leadership and knowledge transfer in driving business innovation through digital transformation (Ramadan et al., 2023). A company needs to realize how important innovation is, one of which is by transforming properly. It was at this time that Kotakmedia Indonesia made a digital transformation into a creative digital agency. Currently, Kotakmedia Indonesia is a creative digital agency that focuses on 6 services, namely web design management, creative digital marketing, social media management, website maintenance, multimedia, and technology and innovation. Kotakmedia Indonesia was established on April 10, 2010 and is located in Yogyakarta, precisely on Jalan Palagan, Sleman. At that time Kotakmedia Indonesia had 3 managers and reduced to 2 people in 2011. Starting from managing web development and computer services and then starting to expand into social media management in 2013.

In this case, Kotakmedia is a social system where the process of innovation adoption can be observed in a structured manner. This study also highlights how communication practices—both internally among teams and externally with clients—play a crucial role in the diffusion process. These practices involve strategic messaging, feedback loops, and multi-platform communication planning to ensure that each innovation is well-received and appropriately adopted. In 2014 Kotakmedia Indonesia began working on creative digital campaigns as a form of branding awareness. Kotakmedia Indonesia continued to make various innovations and transformations until 2019 began to expand in the world of digital agencies and was trusted by several types of client businesses. It was at this time that Kotakmedia Indonesia rebranded in 2019. Kotakmedia Indonesia here was chosen to be the main topic of research because it is a company that is a real example that companies in Indonesia can adapt to digital trends that continue to develop in an era of increasingly dynamic creative competition. By taking the following topic, this research can provide in-depth insights into communication practices in supporting the diffusion of innovation, especially in the digital creative industry sector. In this case, Kotakmedia is a social system where the process of innovation adoption can be observed in a structured manner. The number of active internet users and social network accessors will continue to increase along with the ease of access to technological information (Mardhiyanto &

Muttaqien, 2023). That way, the company's decision to transform into a creative digital agency is one of the steps that feels right.

The digital transformation at Kotakmedia Indonesia is interesting because it not only reveals patterns of innovation diffusion in a digital business environment but also shows the importance of cultural change and technological adaptation in achieving long-term success. This study is expected to provide insights for other companies that are undergoing or will undergo similar digital transformation, as well as enrich the literature related to the application of innovation diffusion theory in the context of business and creative industries. Kotakmedia Indonesia did many things to make some significant changes in the transformation process. Behind that, of course, there is a strategy that is right on target so that Kotakmedia Indonesia also increases rapidly. Diffusion is the process by which an innovation is made better known and spread in the community. This theory was first introduced by Everett M Rogers as a theory that discusses innovation decisions. From Roger's book *Diffusion of Innovation*, the concept of diffusion is said to be the process of an invasion being communicated over time using certain channels in an organization or social system. Diffusion of innovation is also said to be used as a decision maker in implementing innovations and adjusting technological advances in a company (Soekandar & Pratiwi, 2023).

This theory has been explored and can be used in determining the factors that influence the adoption of an innovation and shed light on the explanation of why, how, and at what level new insights and new technologies are made. In the diffusion of innovation, there are three main concepts explained, namely innovation, communication channel, time, social system and diffusion, and adoption. The diffusion of innovation itself has the aim that an innovation in science, technology and other fields is adopted by members of the social system (Hidayat, 2023). Innovation refers to an idea, practice, or object that is considered new by someone. Meanwhile, diffusion is the process of spreading an innovation through certain communication channels over a period of time to members in a social system. Adoption occurs when individuals fully integrate the innovation into practice as the most appropriate choice (Widaswara & Yoga Pramana, 2022).

The process of innovation diffusion has four main elements, namely: innovation, communication channel, time period, and social system. The point is that an innovation will be communicated with certain communication channels, within a predetermined period of time and this occurs among members of a social system.

1. Innovation

In this case, innovation is an idea or action that is considered new by someone. The characteristics of innovation certainly affect the adoption of innovation and play an important role in influencing the level of adoption of innovation. According to Rogers, there are five characteristics of innovation, namely:

- a. Relative advantage, how far an innovation is considered better or more profitable than a pre-existing method or product.
 - b. Compability, the extent to which an innovation fits or conforms to the values, habits, and needs of the people who will use it.
 - c. Complexity, how difficult the innovation is to understand and use.
 - d. Triability, how easy it is for a person to try or test an innovation on a small scale before deciding to use it fully. Observability, how easily an innovation is seen or known to others.
2. **Communication channel**, is a tool to convey innovation messages from the source to the recipient. There are two kinds of communication channels depending on the needs, the first is mass media and the second is interpersonal channels.
 3. **Time period**, the process of innovation decisions taken by someone starting from someone knowing about it to its acceptance or rejection. Not only that, there are several stages in an innovation diffusion process carried out by groups or individuals in accepting and adopting innovations. These stages include:
 - a. Knowledge (Knowlaedge): About how an individual's awareness of the existence of innovation and the function of the innovation.
 - b. Persuasion: How individual attitudes in accepting or rejecting the innovation process.
 - c. Decision: About the role of individuals in determining the choice to adopt or reject an innovation.

- d. Implementation: The stage when an innovation is accepted and then applied continuously in individual or group routines.
 - e. Confirmation: The end of an individual's assessment stage in making a decision to accept an innovation. (Magdalena, Chantika, Azarah, & Denisa, 2023).
4. **Social system**, is a collection of units that are functionally bound in order to achieve common goals. The innovation adoption process is a process of making decisions that are influenced by many factors. Innovation is a new idea or action that is not yet common in an area, which then brings positive influences and changes in people's lives. These changes can occur in various fields and aim to improve the quality of life of each individual concerned. (Serah, 2014).

Overall, the theory of diffusion of innovations helps to understand how an innovation is received and applied in a group by providing a framework for how it works. In the spread of innovation diffusion that occurs in a complex manner, networking and smooth collaboration are needed (Hadi Prabowo, Dadang Suwanda, 2016). Factors that support the spread of innovation diffusion are discussed based on Rogers' theory, namely knowledge of innovation and reinvention, external accountability and organizational structure (Agusta, Hanum, Simaremare, Wahab, & ..., 2021).

Several studies in the realm of digital transformation seen from the theory of diffusion of innovation in a company have been conducted by several researchers. The first research was conducted by Melati Budi Srikandi and friends (Srikandi, Pratiwi, Wijata, & Satria, 2024) entitled "Diffusion of Innovation of GoPayLater Cicil Promotional Content on Tokopedia E-commerce Ads on Youtube" with a qualitative approach with data collection techniques through observation, interviews, and document studies. This research is based on the theory of diffusion of innovation to evaluate the acceptance of innovations and the results of his research show that Tokopedia E-commerce cooperates with Gojek in using the latest innovations through YouTube advertisements. The research seeks to link these innovations using Rogers' innovation diffusion theory.

Then the second research was conducted by Syafruddin Pohan, Muhammad Tarmizi, and Wanti Isadora Simbolon (Syafruddin Pohan, Muhammad Tarmizi, & Wanti Isadora Simbolon, 2023) entitled "Diffusion of DGCE Innovations in Implementing e-CD Services at Kualanamu Medan Airport International Flights" this study aims to determine the application and impact of the diffusion of innovation of the Office of Excise and Customs Supervision and Services (KPPBC) in applying electronic customs declaration services at Kualanamu Medan Airport International Flights. The third research was conducted by Prita Veronica Putri Oktaviana, Hardi Warsono and Retno Sunu Astuti (Oktaviana, Warsono, & Astuti, 2024) in the form of "The Digital Population Identity (IKD) Innovation Diffusion Process in Boyolali Regency" which resulted in that after going through the stages of innovation diffusion in spreading innovation, the innovation diffusion process has not yet reached the maximum level and still requires further efforts to increase the effectiveness and acceptance of IKD innovations in the Boyolali Regency community.

This research is different from the three studies above, in that it highlights the process of innovation diffusion in achieving strategic business goals, despite facing various challenges of technological complexity and adaptation needs. Overall, the three studies offer different contexts in the application of innovation diffusion theory, both in terms of the type of innovation, the target recipients, and the social systems involved. Meanwhile, this research aims to add insight by showing how innovation diffusion can be key to digital transformation in the creative business sector, namely Kotakmedia Indonesia, and provide a more holistic perspective on the application of innovation diffusion theory in various organizational scenarios.

RESEARCH METHODS

This research uses a case study method. Case studies are research that is carried out intensively, in detail, and in depth about an event, individual, group of people, institution to organization to obtain a deep understanding of the event (Ridlo, 2023). Qualitative research tends to use in-depth analysis and emphasizes the process and meaning aspects. Basrowi and Suwandi (2009) say that by using qualitative research methods researchers can identify the subject and feel what the subject under study feels in his daily life. The object to be studied is the analysis of the diffusion of innovation in Kotakmedia Indonesia's digital transformation journey. Here researchers will analyze, identify, and evaluate the transformation process carried out by this company. In examining the innovation diffusion process at Kotakmedia Indonesia, a systemic

approach is used to understand the interactions between digital adoption, digital push, and digital culture in the organizational innovation system (Wang & Zhang, 2025).

In this study, informants were selected using purposive sampling techniques. The informants selected for this study were Azwar Anas as Commissioner of Kotakmedia Indonesia, Valentino as the current President Director of Kotakmedia Indonesia, and Vieta Veranica as an employee working at Kotakmedia Indonesia. These three informants were considered to be knowledgeable about the entire history and development of Kotakmedia Indonesia. The data collection techniques used to gather data related to the discussion were observation and interviews. This was done as evidence to support the research findings and as an initial step in data collection. Field research was conducted to observe the subjects working at Kotakmedia Indonesia directly. The researcher then conducted in-depth interviews to add data and understanding about experiences and perspectives related to the research topic, as well as to ensure data consistency by asking questions to the informants. To ensure data validity, triangulation was applied by cross-verifying interview data between three key informants, namely the commissioner, the managing director, and the employees. This method helped strengthen the credibility of the qualitative findings by examining the consistency and reliability of various sources.

RESULT AND DISCUSSION

Kotakmedia Indonesia's digital transformation process started from the company's background, which began its journey as a laptop and computer service provider. However, in the early stages, the business faced various challenges, such as ineffective promotional models and inability to maintain business operations, so the company was required to close. This failure became a valuable lesson for the founder, who was then motivated to learn more by networking and innovating to develop the business to the next stage. In 2013, the company began a business transition into the digital realm with a new focus on web development services. The company's achievements were even stronger when in 2019, the company successfully obtained certification from Google for Fundamental, AdWords Search, and Google Display Network. Over time, the company made a significant transformation from web development to social media management and digital marketing. The main principle held by the founder is that businesses must keep up with the times and must resegment to remain relevant to market needs.

Until now, the company continues to innovate and has offered three main service segments, namely web development, social media management, and digital marketing. The concept is to combine all these services into one unit through an Integrated Marketing Communication (IMC) approach. The digital marketing strategy is also focused on driving traffic to the website as the "main home" of business information. This journey shows the importance of digital transformation in business development. By utilizing technology and various digital platforms, digital transformation allows Kotakmedia Indonesia to stay relevant amidst competition, master digital platforms, and maximize business potential in the modern era.

Kotakmedia Indonesia chose to transform into a Creative Digital Agency because it is able to combine various digital tools into an integrated strategy to answer market needs with a creative approach, and build strong branding through innovative and integrated campaigns across various platforms. By aligning visual identity, storytelling, and content distribution strategies, Kotakmedia Indonesia is able to achieve maximum impact, which makes it a relevant creative solution in the midst of the digital age.

The innovation diffusion process, which has four main elements, provides a framework for understanding how innovations are communicated, adopted, and affect change in a social system. Kotakmedia Indonesia's digital transformation journey can be analyzed using this theory to understand the implementation of innovation as well as the factors that influence its success. In the context of Kotakmedia Indonesia, innovations are new ideas and actions implemented to respond to business challenges and technological developments. The company started its journey as a laptop and computer service provider. However, this initial failure became the impetus to innovate and expand the business into the digital realm. This innovation then developed further when the company successfully obtained certification from Google for Fundamental, AdWords Search, and Google Display Network in 2019. Through an Integrated Marketing Communication

(IMC) approach, Kotakmedia Indonesia was able to combine various services into one integrated strategy, making it a creative and relevant solution for the needs of the modern market. Identified innovation characteristics of this transformation.

Relative advantage is how the level of acceptance of an innovation based on economic benefits, social recognition or user satisfaction of an innovation (Latip, Suparman, dan Nadiroh 2021). This refers to the extent to which the innovation is considered more advantageous compared to previous methods or solutions. In the case of Kotakmedia Indonesia, the transformation to digital services provides various advantages, such as increased brand visibility, expanded audience reach, and operational efficiency. These advantages not only add value to the company but also strengthen their position in the digital industry. The transformation of Kotakmedia Indonesia to digital services provides greater benefits than the previous business model, such as increased brand visibility and the ability to reach a wider audience.

Compatibility, the degree to which an innovation is adopted is based on its compatibility with existing values in a social system, its compatibility with the experience and needs of the adopter of an innovation (Rogers 2003). Service innovations such as digital marketing and social media management at Kotakmedia Indonesia are considered to be very suitable for market needs that are increasingly dependent on digital technology. This is also due to changes in consumer behavior and the effectiveness of digital communication today which greatly helps businesses communicate with audiences more quickly, widely and measurably.

Complexity, the degree to which innovations are considered difficult to understand and use by a social system (Dibra 2015). Digital transformation requires a deep understanding of technology and digital strategy, therefore managing complexity is one of the biggest challenges in innovation diffusion, including changes in platform algorithms that are always dynamic, understanding different audience behaviors on each platform, and the need to continuously adapt to technological developments to the way traffic management in end-to-end integration. But in this case, Kotakmedia Indonesia managed to overcome this complexity by using an adaptive, strategic, and integrated approach. This challenge then becomes an opportunity for the company to continue to grow, optimize the utilization of digital platforms, and achieve business goals in the digital era. By understanding each element of the challenge, Kotakmedia Indonesia is able to position itself as an innovative and relevant creative digital agency.

Triability, the stage where innovation is perceived to be experimented with within a certain time limit. Including how innovation attributes can be described as the level of speed of adoption that is perceived within a certain time limit. In this case, triability is related to trying an innovation on a limited time basis (Sasaki 2018). If an innovation is not tested, it cannot be expected to succeed services such as web development and digital marketing allow small-scale testing at Kotakmedia Indonesia before full implementation.

Observability, relating to an innovation that is implemented can then be seen, imagined, and explained to the user (Latip et al. 2021). Observability relates to the results of an innovation process that is most visible compared to others, because if an innovation result is implemented, it can be visible compared to others, because if an innovation result is easily seen by others, then it is likely to be easily seen by others, then they are more likely to adopt it. The impact of the innovation is clearly visible through increased traffic to the main website as the center of information and brand identity of Kotakmedia Indonesia.

Communication channels are very influential in the process of exchanging information between one person and another to communicate ideas, so it is necessary to be precise in using them (Rusmiarti 2015). Communication channels are an important element in the innovation diffusion process, as they are the medium for conveying new ideas to the recipients. Kotakmedia Indonesia uses various communication channels to promote innovations and reach a wider audience. The company utilizes two main types of communication channels: digital and interpersonal. In the digital realm, they actively use platforms such as Facebook, Instagram, Twitter, YouTube and Google to market their services. This strategy allows the company to reach a large audience in a cost-efficient manner. Creative and relevant content is also key to attracting attention and building engagement with the audience.

Meanwhile, interpersonal communication involves direct interaction with clients, business partners and the professional community. This approach helps build more personalized

relationships and strengthen trust. in a way that is easily understood by the audience. With a combination of digital and interpersonal approaches, Kotakmedia has been able to increase public awareness of their services and drive innovation adoption across a wide range of audiences. Communication channels are not only used to transmit information but also to build relational trust. The use of Integrated Marketing Communication (IMC) facilitates alignment between message and medium. The company crafted tailored messages for different segments and platforms, ensuring consistency in brand voice while maintaining flexibility in engagement style.

Timeframe in the innovation diffusion process refers to the period required to spread and adopt innovations in a social system. Kotakmedia Indonesia's digital transformation was a gradual process that took place over several years, showing that significant change takes time and careful planning. In 2013: The company began its transition into the digital realm with a focus on web development services. This step was taken in response to the failure of the previous business model and the need to keep up with market trends moving towards digitalization. In 2019: A significant milestone was achieved when Kotakmedia earned Google certifications for various fields, marking their competence in the digital sector.

This certification is a testament to the company's seriousness in developing their capabilities and increasing credibility in the eyes of clients. In 2024: Kotakmedia successfully transforms into a creative digital agency, focusing on three main services: web development, social media management, and digital marketing. This process involves refining services, improving internal competencies, and adapting to market needs. This process shows that digital transformation is not instantaneous, but takes time to refine services, build competencies and ensure relevance to market needs. The gradual change from 2013 to 2024 was punctuated by strategic communication campaigns aimed at different stakeholders. During each transition stage, Kotakmedia engaged its team and clients in dialogues, conducted digital webinars, and promoted milestones through social media. This continuous and contextual communication supported a smooth adoption process.

The social system is a network builder that can disseminate innovations and will influence other members interpersonally (Hakim et al. 2023). Kotakmedia Indonesia's digital transformation takes place within a social system involving employees, customers and business partners. This social system has the common goal of creating innovative services that provide added value to clients and maintain business relevance in the digital era. One of the key principles held by Kotakmedia's founders is the importance of adaptation to changing times. This principle reflects an organizational culture that supports innovation as the key to survival and growth. In addition, collaboration between units within the company is also an important factor in ensuring the success of digital transformation. With effective communication and an aligned vision, every team member can contribute to the innovation process. Relationships with customers and business partners also play a key role in this social system. Through a collaborative approach, Kotakmedia can better understand market needs and develop solutions accordingly. A social system that supports innovation is a strong foundation for companies to continue to grow and achieve success in the digital era. Organizational communication norms within Kotakmedia were developed to support innovation. Internal platforms like Slack and Trello were used to promote transparency, and regular internal meetings ensured team alignment. These communication routines helped facilitate organizational learning and reduce resistance to change.

The innovation decision is not an instant process but uses a process that takes time and is sustainable. Therefore, innovation decisions take place in five stages as said (Rogers 2003) there are five stages in the innovation diffusion process that can be associated with Kotakmedia Indonesia's digital transformation. The first stage in the innovation decision process is knowledge, where individuals or groups within the organization become aware of the existence of the innovation and understand its functions and benefits. For Kotakmedia Indonesia, this stage began when the company faced initial failure as a laptop and computer service provider.

The failure was a turning point that opened the company founder's eyes to the importance of seeking new opportunities that were more relevant to changing market needs and technological advances. In 2013, after realizing that hardware repair services no longer had bright prospects, Kotakmedia began to explore the digital world. The company's founders actively sought new knowledge through research, learning from industry experiences, and following global trends that

showed great potential in digital-based services. This realization does not come out of nowhere, but is the result of a series of deep reflections on previous failures. The quest to understand innovation involves activities such as attending technology seminars, reading industry reports, and discussing with experts in the digital field. In addition, this awareness was reinforced by an in-depth analysis of market needs. Kotakmedia realized that business needs were shifting from hardware to more complex digital services, such as website development and digital marketing strategies. In-depth knowledge not only drives the change in business orientation, but also becomes the foundation for every step of digital transformation taken by Kotakmedia Indonesia.

The next stage is persuasion, where individuals or organizations begin to form positive or negative attitudes towards innovation. At this stage, Kotakmedia Indonesia faced a major challenge in convincing itself to adopt digital transformation as part of its core business. The decision to switch to digital services requires the belief that this change will bring positive impacts, both for the company and for other stakeholders. One important step in the persuasion stage is to build internal confidence. The company's management team begins to hold intensive discussions to evaluate the potential of digital transformation. They consider various factors, such as market trends, customer needs, and the company's internal ability to adapt to new technologies. This internal communication is key in building confidence that digital services, such as web development and digital marketing, can be a relevant solution to answer the needs of an increasingly dynamic market. In addition to building internal conviction, Kotakmedia also utilizes external communication to support the persuasion process. They actively interact with clients, business partners and professional communities to gain feedback and reinforce the belief in the importance of digital innovation.

Persuasion is not just about changing internal viewpoints, but also includes effective communication strategies to build relationships with external parties. With a strong interpersonal approach, Kotakmedia managed to convince many parties that digital transformation is not just a temporary trend, but a strategic step needed to survive and thrive in the modern era. During this stage, Kotakmedia initiated internal discussion forums and knowledge-sharing sessions to create shared meaning and organizational buy-in. External communication such as client workshops and media briefings were also conducted to persuade external stakeholders.

The third stage is decision, where the organization determines whether to adopt or reject the innovation. Kotakmedia Indonesia finally decided to fully adopt digital-based services after a long evaluation process. This decision was not taken in haste, but rather based on an in-depth analysis of existing opportunities and challenges. The first strategic step taken by Kotakmedia after deciding to adopt digital transformation was to get certified by Google in 2019. The certifications cover Google AdWords Search, Google Display Network, and Fundamental, demonstrating the company's commitment to improving its competence in digital marketing. This decision not only strengthens the company's position in the industry, but also serves as concrete evidence that Kotakmedia is serious about facing competition in the digital era. This decision also involves careful planning to ensure that digital transformation can provide added value to the company. The management team sets clear goals, such as increasing business relevance, expanding market reach, and creating a better customer experience. They also identified potential risks and devised mitigation strategies to ensure that the transformation process ran smoothly. In addition, this decision involved significant investment in human resources and technology. Kotakmedia started recruiting talents with digital expertise, such as web designers, app developers and digital marketing specialists. They also allocated a budget for employee training, so that the entire team could adapt quickly to the changes.

Once the decision is made, the next stage is implementation, where innovations begin to be applied in day-to-day operations. For Kotakmedia Indonesia, this stage is an important step towards realizing the digital transformation vision that has been designed earlier. Implementation was done in stages, starting with the development of three main segments of digital services that became the core of their new business. Kotakmedia successfully integrated these services into one unified creative solution. This included digital platform development, internal system upgrades, and technology infrastructure updates. In addition, the company also continues to innovate by launching new services that meet market needs. One of the significant achievements in this stage is the opening of subsidiaries that focus on specific areas, such as

mobile application development and creative content production. The implementation process also involves collaboration with various strategic partners to ensure that the innovations implemented can run effectively. Kotakmedia works with leading technology providers to adopt the latest digital tools and platforms. They also build networks with industry communities to share knowledge and experience in managing digital transformation.

The final stage in the innovation decision process is confirmation, where the organization evaluates the impact and success of the innovations that have been implemented. In the case of Kotakmedia Indonesia, this stage is a moment to assess the extent to which digital transformation has contributed to the growth and sustainability of the company. The evaluation results show that the digital transformation carried out by Kotakmedia has had a significant positive impact. In addition, the positive impact of this innovation is also felt by customers. With more integrated digital services, Kotakmedia is able to provide more effective and efficient solutions to meet client needs. This success is clear evidence that digital transformation is not just about adopting new technologies, but also about creating added value for all stakeholders.

In the end, Kotakmedia Indonesia became an inspiring example for other companies looking to adopt digital transformation. Their journey shows that with the right knowledge, effective persuasion, mature decisions, planned implementation, and objective confirmation, innovation can bring sustainable change and have a significant positive impact. To validate the success of innovation, Kotakmedia collected feedback through surveys, testimonials, and analytics reports, and communicated the results internally to motivate the team. They also used the feedback in public communications, reinforcing the company's identity as an innovation-driven agency.

CONCLUSION

The results of research and interviews with Kotakmedia Indonesia show that the company's digital transformation is a strategic effort to respond to business challenges and technological developments. Digital transformation at Kotakmedia Indonesia started from the knowledge stage, when an awareness of the importance of innovation emerged after an initial failure as a laptop and computer service provider. At the persuasion stage, belief in the potential of digital services was strengthened through communication with clients, business partners, and utilization of mass media, although building trust was a challenge. At the decision-making stage, Kotakmedia Indonesia decided to fully adopt digital innovation with strategic steps. Implementation of this innovation was realized through the development of three digital service segments as an integrated creative solution.

Finally, at the confirmation stage, the success of digital transformation is shown through increased branding, audience reach, and website traffic, proving that the adoption of innovation brings positive impacts and maintains business relevance in the digital era. The impact of the transformation can be seen from the increase in traffic to the main website as the center of brand identity and information solutions. This proves that the adoption of innovation through the utilization of digital technology can provide significant changes and ensure the relevance of Kotakmedia Indonesia's business in the digital era. Overall, although Kotakmedia Indonesia has shown significant progress in the innovation diffusion process, there are still some areas that need to be improved to increase the effectiveness of internal communication and management of the organizational structure, so that the innovations implemented can be maximized and sustainable. This study also confirms that communication, particularly strategic and multi-directional communication, is essential to facilitating each phase of innovation diffusion. Future research may explore how communication leadership or digital storytelling influences adoption rates in creative industries.

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